



JOINT CHIEFS OF GLOBAL TAX ENFORCEMENT

J5 Countries Host Crypto ‘Challenge’ in Search of Tax Criminals

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The Joint Chiefs of Global Tax Enforcement (J5) brought together investigators, cryptocurrency experts and data scientists in a coordinated push to track down individuals perpetrating tax crimes around the world this week.

The event, known as ‘The Challenge,’ was first hosted in 2018 by the Fiscal Intelligence and Investigation Service (FIOD) in Amsterdam and replicated this year in Los Angeles to identify those individuals who are the most egregious tax offenders in the world. The Challenge in Amsterdam focused on enablers of tax evasion while this version of the Challenge focused on cryptocurrency.

Experts from each country gathered with the mission of optimizing data from a variety of open and investigative sources available to each country, including offshore account information. Using various analytical tools, members of each country were put into teams and tasked with generating leads and finding tax offenders using cryptocurrency based on the new data available to them through the challenge. Real data sets from each country were brought to the challenge to make connections where current individual efforts would take years to make those same connections.

“The J5 is made up of the best and brightest of each of our countries so it makes sense to host events like the Challenge where we can get together, cut through red tape, and make real investigative strides,” said Don Fort, Chief, IRS Criminal Investigation. “This is not an exercise dealing with hypothetical scenarios. These are real investigators, using real data, finding real criminals through leads generated this week.”

At the conclusion of ‘The Challenge,’ each country had developed numerous leads, trends, methodologies and investigations touching all of the J5 countries. This information will be used to further current and future investigations under the J5 umbrella.

Cybercrime and the threat of cryptocurrencies to tax administration is one of the main focus areas of the J5. The organization seeks to make the best use of internationally available data and technology in events like the Challenge.

As criminals continue to find new methods to commit tax fraud and launder illegal proceeds, the J5 is committed to evolving to keep pace with investigating these egregious financial crimes. Tax fraud is not a new crime, but the sophistication with which criminals commit tax fraud has significantly increased through cyber-related activities in recent years. Data breaches, intrusions, takeovers and compromises are the new tools that criminals use to commit tax crimes.

Leaders of tax enforcement authorities from Australia, Canada, the Netherlands, the United Kingdom and the United States established the joint operational alliance known as the J5 in mid-2018 to increase collaboration in the fight against international and transnational tax crime and money laundering. For more information about J5, please visit www.irs.gov/J5.